

# City torn over fees

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Council divided as to whether impact fees inhibit growth

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All cards were on the table Monday night when Mayor Bruce Gilbert put fellow council members on the spot at an impact fee work session, asking each member to tell where they stand on the issue.

Three councilmen were opposed to the fee, while the two in favor, Councilmen Michael Naples and Whitey Hunt, agreed to compromise with a decrease in the percentage of the fee. Mayor Gilbert said he does not support the current amount collected by the fee, but that it was necessary at the time of its inception because of an increase in residential growth.

“‘It’s like being in a court listening to two lawyers,’” he said. “‘They have good arguments either way.’”

Proponents of the fee worry that if the fee were eliminated, existing residents would see an increase in other forms of taxation. Those who oppose the fee fear that the cost of building a new home or establishing a new business is too pricy and will deter future growth.

The impact fee is meant to fund projects based on the projected impact of new residents and businesses. The population forecasts outlined in the Capital Improvements Element plan (CIE) include a combination of residents and employees of businesses within city limits. The forecasts extend to 2024, with an anticipated net increase of 4,762 in “‘city-wide day/night population.’”

“‘Growth is sometimes Chinese water torture,’” said impact fee consultant Bill Ross. “‘It comes drip by drip, and you wake up one day say, ‘Oh my goodness, we need a new fire truck.’””

The City of Madison is looking into funding one police project, three fire projects, one road project and 12 recreational projects, according to the CIE.

At a city council meeting Feb.13, Planning Director Monica distributed an estimate for fire service projects with and without the revenue collected by the impact fee. The plans call for a new fire station, fire engine and ladder truck by the end of the decade, with about \$1 million funded by the fee, should it remain in place and at its current level.

Without fees, the projects would be paid via other forms of taxation, such as increased property tax or SPLOST.

“‘The money you would need to spend for the facilities that are in the impact fee program are moneys you need to spend for those facilities no matter what,’” said Ross Monday night.

“‘There’s a way to pay for infrastructure without impact fees, but it’s not going to come from your current budget. You’re going to have to increase taxes.’”

For the majority of the work session, Ross, who came with studies on the fee and its effects on multiple cities that levy it, answered questions from council members.

Though Ross said his role in the matter is one of neutrality, he had not seen a difference in growth for communities who once levied impact fees but have since abolished them.

Council members tossed around the idea of decreasing the percentage funding particular projects, such as road infrastructure, which is currently at 100 percent for improvements on the U.S. 278 and U.S. 441 intersection.

“‘I don’t think we’re ever going to collect enough money to be of any significance,’” Gilbert

said. ““I would think that would be a multi-million dollar project that will involve a lot of help with state and the federal government because it’s a federal highway.””

Gilbert also called the \$3,568 fee on new housing punitive for home builders, asking for a decrease to around \$1,000.

At the meeting, Dan Jones, who serves as president of Lake Oconee Area Builders Association and who is on the board of the Madison-Morgan Home Builders Association, spoke in opposition of the fees because the extra cost burden deters new housing projects, he claimed.

Ross explained that people who build a \$500,000 house pay the same fee as a family living in a \$100,000 house because they do not require or demand five times as much in the way of services. Gilbert said he is also worried by the economic competition of surrounding counties that don’t levy impact fees.

““We have a new [\$200 million Caterpillar] plant being located close by that we might get some spin off, and I know Greene County doesn’t have impact fees and Putnam County doesn’t have impact fees.””

Naples, who supports impact fees, agreed to make a compromise with opponents of the fee and said he liked the idea of establishing districts in which the fee could be suspended for economic development reasons to study whether or not impact fees deter new businesses.

The council will also hold their last public hearing on impact fees Monday at the next city council meeting.

In other news, prior to the work session on impact fees, the council held a public hearing on city-wide redistricting. City Planner Bryce Jaeck said District 3 and District 5 had the highest population change from 2000 to 2010, according to U.S. Census data. The proposed plan places portions of the Green Meadows area in District 3, represented by Councilman DiLetto and includes changes along the railroad tracks in the downtown district that affect District 1 and District 2. Jaeck said districts are comprised of equal population and that there was no dilution of the voting strength of minority citizens. The last public hearing will be held Monday at the next city council meeting